

**華潤飲料(控股)有限公司**  
**China Resources Beverage (Holdings) Company Limited**  
*(Registered by way of continuation in the Cayman Islands with limited liability)*  
**(Stock Code: 2460)**

**Terms of Reference of the Remuneration and Appraisal Committee of  
the Board of Directors**

(Adopted on October 8, 2024)

## **Chapter 1 General Provisions**

**Article 1** In order to ensure the scientific decision-making of the board of directors (hereinafter referred to as the “Board”) of China Resources Beverage (Holdings) Company Limited (hereinafter referred to as the “Company”), and to improve the work efficiency of the Board, the Board has established a remuneration and appraisal committee (hereinafter referred to as the “Remuneration and Appraisal Committee” or the “Committee”) and formulated these terms of reference (hereinafter referred to as the “Terms of Reference”) in accordance with applicable laws and regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), the articles of association of the Company and other relevant requirements.

**Article 2** The Remuneration and Appraisal Committee is a specialized working body under the Board, which provides advice and recommendations for decision-making of the Board and reports to the Board.

## **Chapter 2 Composition of the Committee**

**Article 3** The Committee shall consist of not less than three directors, with independent non-executive directors constituting the majority of the Committee. Members of the Committee shall be proposed by the chairman of the Board after consulting the relevant directors, and shall be elected by a majority of all directors.

**Article 4** The Committee shall have one chairman, who shall be an independent non-executive director and be responsible for presiding over the work of the Committee.

**Article 5** The term of office of the Committee shall be consistent with that of the Board, and may be re-appointed upon expiration of the term. If any member ceases to hold office as a director of the Company during the term, his/her position as a member of the Committee shall be automatically dismissed.

**Article 6** A member of the Committee may resign during his/her term of office. The resignation of a member shall be submitted to the Board in writing, together with a necessary explanation of the reasons for the resignation and the matters requiring the attention of the Board.

**Article 7** When the number of members of the Committee falls below the minimum number specified in these Terms of Reference, the vacancy shall be filled up in accordance with the relevant provisions of these Terms of Reference.

## **Chapter 3 Duties of the Committee**

**Article 8** The main duties of the Committee are as follows:

- (1) to make recommendations to the Board on the Company’s overall remuneration policy and structure for directors and senior management as well as the establishment of a formal and transparent procedure for developing remuneration policy;
- (2) to review and approve the proposals for the remuneration of management with reference to the corporate policies and goals set by the Board;

- (3) to make recommendations to the Board on the remuneration of executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment;
- (4) to make recommendations to the Board on the remuneration of the non-executive directors and as for the remuneration of independent non-executive directors, such recommendations shall not include any equity-based remuneration (e.g. share options or grants) with performance-related elements which may lead to bias in their decision-making and compromise their objectivity and independence;
- (5) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions for other positions within the group;
- (6) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and if not, it shall be fair and reasonable and not excessive;
- (7) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with contractual terms and if not, the relevant compensation shall be reasonable and appropriate;
- (8) to ensure that no director or any of his/her associates (as defined in the Listing Rules) is involved in determining his/her own remuneration;
- (9) with respect to any service contracts of directors that are subject to the shareholders' approval under Rule 13.68 of the Listing Rules, to advise the shareholders as to whether the terms are fair and reasonable, whether such contracts are in the interests of the Company and its shareholders as a whole, and as to how to vote; and
- (10) to review and/or approve matters relating to employee share incentive scheme under Chapter 17 of the Listing Rules.

#### **Chapter 4 Meetings of the Committee**

**Article 9** Meetings of the Committee shall be chaired by the chairman of the Committee, who may delegate the chairmanship to another member if he/she is unable to attend. In the event that the chairman of the Committee neither performs his/her duties nor designates another member to perform his/her duties, an independent non-executive director shall be nominated by the members present at the meeting to perform the duties of the chairman of the Committee.

#### **Article 10** Notice and materials of the meeting

- (1) After the chairman of the Committee determines the topics, the Board's office shall organize the preparation for the topics and proposals and formulate relevant documents required for the meeting.

- (2) The Board's office shall be responsible for delivering a notice of the meeting in writing to all members of the Committee and relevant personnel invited to attend the meeting five calendar days prior to the meeting (except for emergencies). The notice of the meeting shall include the manner, time, place, duration and topics of the meeting.
- (3) The Board's office shall be responsible for delivering the meeting materials in writing to all members of the Committee and relevant personnel invited to attend the meeting five calendar days prior to the meeting (except for emergencies).
- (4) The above time limits for delivering the notice and materials of the meeting may be waived with the unanimous consent of all members of the Committee. The presence of a member of the Committee at a meeting shall be deemed to be a waiver of the above time limits.
- (5) If the period of adjournment between two meetings is less than seven business days, it shall not be necessary to serve any notice of the adjourned meeting.

**Article 11** The Committee shall convene meetings regularly or irregularly according to the needs of its work. Meetings may be convened by way of on-site meeting, video conference, telephone conference or other means of network communication, and the exercise of voting rights by means of video conference, telephone conference or other means of network communication shall have the same effect as voting at an on-site meeting. When urgent matters are encountered and the members of the Committee are able to obtain sufficient information, the deliberations may also be conducted by circulation of written resolutions by all members.

**Article 12** The quorum for meetings of the Committee shall be two members. Resolutions of the Committee shall be valid only if passed by a majority of the votes of the members present at any meeting. Resolutions in writing signed by all members of the Committee shall have the same effect as those passed at any meeting of the Committee convened otherwise.

**Article 13** A member of the Committee shall attend meetings in person. If he/she is unable to attend for any reason, he/she may appoint another member of the Committee or a qualified person who meets the relevant requirements for serving on the Committee with reference to the Cayman Companies Law and the Hong Kong Listing Rules and the relevant rules thereunder as amended from time to time to express his/her opinions on his/her behalf, and the member who has appointed such person to attend and make decisions on his/her behalf shall confirm the qualifications of such person in the written notice of appointment.

A member of the Committee who is unable to attend a meeting in person may also express his/her opinions in writing. Written opinions shall be submitted to the Board's office prior to the convening of the meeting.

A member or a qualified person giving opinions on any other member's behalf shall exercise his/her authority within the scope of the authorization. A member of the Committee who fails to attend a meeting in person, fails to delegate another member of the Committee or a qualified person to express his/her opinions on his/her behalf, and fails to submit his/her opinions in writing prior to the meeting, shall be deemed to have waived the right to express his/her opinions at that meeting.

**Article 14** A member of the Committee who fails to attend two consecutive meetings of the Committee, fails to delegate another member of the Committee or a qualified person as stipulated in Article 13 of these Terms of Reference to express his/her opinions, and fails to provide written opinions prior to the meeting, shall be deemed to be incapable of fulfilling his/her duties as a member of the Committee. The Board may adjust the membership of the Committee in accordance with these Terms of Reference.

## **Chapter 5 Procedure of Meetings**

**Article 15** Each member of the Committee shall have one vote. A resolution made at a meeting shall be passed by more than half of the total number of valid votes cast by all members of the Committee. The voting intentions of the members of the Committee may be “for”, “against” or “abstain”. Participating members shall choose one of the foregoing intentions. A member who fails to make any option or makes two or more options shall be deemed as having abstained from voting, and such abstentions shall not be counted into the total number of valid votes cast. If the number of votes for “for” is the same as that for “against”, the chairman of the Committee (or any other member delegated in writing by him/her to attend and exercise the right to vote on his/her behalf, or any qualified person as stipulated in Article 13 of these Terms of Reference) shall be entitled to one additional vote. In the event that no valid resolution can be passed due to abstention by a member of the Committee, the relevant matters shall be considered by the Board directly. Regardless of the outcome of the consideration by the Committee, all resolutions shall be subject to consideration and determination by the Board, and the chairman of the Committee shall report the Committee’s considerations to the Board.

**Article 16** The Committee shall conduct research and discussion on the matters to be considered at the meeting, and the members of the Committee shall explicitly, independently and fully express their opinions based on their own judgment; any of their disagreements shall be explained to the Board.

**Article 17** The Committee may invite directors, relevant senior management, relevant experts of the Company, external experts, scholars, intermediary agencies and relevant persons to attend the meeting. Persons attending the meeting shall make explanations and descriptions as required by the members of Committee.

**Article 18** The procedures for convening meetings of the Committee, the manner of voting and resolutions passed at the meeting shall comply with the relevant laws, regulations, the Listing Rules, the articles of association of the Company and these Terms of Reference.

**Article 19** If a member of the Committee has an interest in any matters to be considered by the Committee, such member shall abstain from the discussion and voting of such matters.

**Article 20** Any member attending a meeting of the Committee and any person attending such meeting shall be under a duty of confidentiality with respect to the matters considered at the meeting and shall not disclose the relevant information to the public without authorization, unless (1) the relevant information has become public otherwise than as a result of a breach of the duty of confidentiality by the foregoing person; (2) the disclosure is required by applicable laws or regulations or a court order; or (3) the disclosure is made by a director other than an independent non-executive director to the party who nominated him/her as a director and to relevant persons who directly or indirectly control the entity of such party, provided that the recipient of the information shall comply with relevant laws and regulations on confidentiality and actively take appropriate confidentiality measures to ensure that such disclosure is used for normal purposes of the director's performance of his/her duties and shall not jeopardize the legitimate rights and interests of China Resources Beverage.

## **Chapter 6 Meeting Documents and Work Support**

**Article 21** The documents of the Committee meetings include notices of meetings, meeting materials, minutes of meetings, power of attorney of delegators, written opinions and specific opinions. Meeting documents shall be numbered by year and session.

**Article 22** The Board's office shall be responsible for the preparation of minutes of meetings, which shall include the manner of convening the meeting, time, venue, chairman of the meeting, attendees, topics, agenda, key points of speeches and opinions of participants, results of the meeting, and other matters that shall be recorded. The minutes shall be signed by all members present and/or by the proxy attending the meeting in accordance with Article 13 of these Terms of Reference. A member who has any opinions or objections to the minutes shall convey his/her opinions in writing to the Board's office within seven days of receiving the minutes.

**Article 23** Notices of meetings of the Committee, meeting materials, power of attorney of delegators, written opinions, minutes signed and confirmed by the members present at the meeting and other relevant materials are all files belonging to the Company, which are kept by the Board's office, and are filed regularly and transferred in a timely manner in accordance with the relevant provisions on the management of the Company's files.

**Article 24** Relevant departments of the Company shall be responsible for providing work services for the Committee, providing assistance and coordination for the work of the Board's office, and shall prepare relevant drafts, provide relevant documents, information and other materials in accordance with the requirements of the Committee, and shall be responsible for the authenticity and accuracy of the materials provided.

## **Chapter 7 Supplementary Provisions**

**Article 25** Matters not covered in these Terms of Reference shall be implemented in accordance with applicable laws and regulations, the articles of association of the Company and the relevant provisions of the rules of procedure of the Board.

**Article 26** These Terms of Reference shall be effective upon consideration and approval by the Board, and shall be interpreted and amended by the Board.